COMPTEL COMPETITIVE TELECOMMUNICATIONS ASSOCIATION

**Genevieve Morelli**
Vice President & General Counsel

# ORIGINAL

EX PARTE OR LATE FILED

July 12, 1996

William F. Caton
Acting Secretary
Federal Communications Commission
1919 M St., N.W.
Room 222
Washington, D.C. 20554





Re: CC Docket No. 96-98

Dear Mr. Caton:

In response to a request made by Commissioner Ness at a meeting held on July 9, the Competitive Telecommunications Association ("CompTel") submits the attached information for inclusion in the record of the above-captioned proceeding.

Attachment 1 contains relevant excerpts from a June 13, 1996 Recommended Decision by an Administrative Law Judge ("ALJ") in a proceeding before the Pennsylvania Public Utility Commission to establish specific unbundling and interconnection policies and requirements. Bell Atlantic-Pennsylvania has proposed and the ALJ has recommended adoption of a rule that would permit Bell Atlantic-Pennsylvania to limit the number of unbundled loops provided to each requesting carrier to no more than 25 per week per LATA during the first three months that its unbundled loop tariff is in effect.

Attachment 2 contains relevant excerpts from the May 31, 1996 Bell Atlantic-Virginia / Jones Telecommunications Agreement for Network Interconnection and Resale which permits Bell Atlantic-Virginia ("BA-VA") to fill no more than the following number of requests for resale of BA-VA retail services until a date during the first quarter of 1997 (the exact date to be established by BA-VA) because of restrictions on BA-VA's ability to process resale applications:

(a) During the first month after the first resale order by Jones, 25 resold lines per week;

(b) During the second month after the first resale order by Jones, 50 resold lines per week;

(c) During the third and subsequent months after the first resale order by Jones, and until some time during the first quarter of 1997 (the exact date to be set by BA-Va), 75 lines per week.

Attachment 3 is the June 19, 1996 letter, statement and accompanying materials sent by Senator Byron Dorgan to Senate Commerce Committee Chairman Larry Pressler regarding the Committee's June 18 hearing. Senator Dorgan provided Senator Pressler with a statement for the hearing record, a list of questions for FCC witnesses, and a document detailing incumbent local exchange carrier ("ILEC") abuses of the negotiation process.

Attachment 4 is an outline of some of the problems LCI International has encountered in attempting to negotiate resale agreements with ILECs since passage of the Telecommunications Act of 1996.

Please address any questions concerning this letter to the undersigned.

Sincerely,

Genevieve Morelli

cc: Commissioner Susan Ness
Jim Casserly
Chairman Reed Hundt
Commissioner Rachelle Chong
Commissioner James Quello
Regina Keeney
Richard Metzger
Richard Welsh
James Schlichting
John Nakahata
Lauren Belvin
Daniel Gonzales

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

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|---|---|---|
| APPLICATION OF MFS INTELENET OF PENNSYLVANIA, INC. | : | Docket No. A-310203F0002 |
| APPLICATION OF TCG PITTSBURGH | : | Docket No. A-310213F0002 |
| APPLICATION OF MCI METRO ACCESS TRANSMISSION SERVICES, INC. | : | Docket No. A-310236F0002 |
| APPLICATION OF EASTERN TELELOGIC CORP. | : | Docket No. A-310258F0002 |

**RECOMMENDED DECISION**

Before
Michael C. Schnierle
Administrative Law Judge

# THIS DOCUMENT CONTAINS PROPRIETARY MATERIAL

June 13, 1996

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argument appears to be well taken. In fact, the cited case appears to preclude even the FCC from requiring reciprocal unbundling.

Considering that the FCC has this issue under consideration, and may itself be unable to issue the ruling sought by BA-PA, OTS and OCA, I recommend that the Commission not order reciprocal unbundling in this proceeding.

C. The 25 Loop per Week Initial Limitation.

BA-PA has proposed that during the first three months that its unbundled loop tariff is in effect, BA-PA be required to provide no more than 25 loops per week per LATA to each co-carrier. BA-PA maintains that because unbundled loops will be a new service in Pennsylvania, this "ramp up" period is necessary to allow BA-PA to complete all of the steps involved in the provisioning of a new service without delaying the commencement of loop provisioning. Essentially, BA-PA maintains that this limitation is necessary to provide a learning period for the service. (Tr. 927-928). Normally BA-PA does a trial and test for new any service. It has not done that for unbundled loops. (Tr. 954-955). The unbundled loop test experience involving Bell Atlantic and MFS in Maryland is not directly transferrable to Pennsylvania because of differences in the operations systems between Maryland and Pennsylvania. (Tr. 960). To test loop unbundling in Pennsylvania, BA-PA would need a willing co-carrier which to work. (Tr. 967). The proposed phase-in limitation is in lieu of doing a trial. (Tr. 1003). Bell is willing to engage in such a trial pending the outcome of this proceeding if one of the CLECs requests a trial. None has asked.

(Tr. 1006-1007).

ETC and TCG (ETC/TCG M.B. at 8-10) and MCI (MCI R.B. at 12-16) argue that this limitation is an unjustifiable and unreasonable restraint on the CLECs' ability to compete because they will not be able to immediately obtain a sufficient number of loops to serve large customers.

I agree with BA-PA on this issue for three reasons. First, I agree with BA-PA that a phase-in period is at least desirable, if not absolutely necessary, to avoid making mistakes with a completely new service. Second, the restriction is only temporary. Third, the CLECs could have at least lessened the need for a phase-in period simply by requesting BA-PA to engage in a trial run while this proceeding was pending. Had they done so, there might have been no need for a phase-in period. In fact, if they did so on the last day of hearings in this proceeding (April 12, 1996), a three month trial could be completed by the time that reply exceptions are likely to be due to this decision. In that case, a phase-in period might be unnecessary. If a trial has been completed since the hearings, the parties may wish to bring that fact to the Commission's attention in any exceptions that may be filed. In that case, the Commission should consider rejecting BA-PA's proposed phase-in limitation on loop provisioning.

D. Collocation for Unbundled Loops.

BA-PA proposes to require a co-carrier to collocate in the BA-PA central office where an unbundled loop terminates to access that unbundled loop. BA-PA maintains that other methods of

# AGREEMENT FOR

# NETWORK INTERCONNECTION AND RESALE

**between**

**Bell Atlantic - Virginia, Inc.**

**and**

**Jones Telecommunications of Virginia, Inc.**

**May 31, 1996**

# AGREEMENT FOR NETWORK INTERCONNECTION AND RESALE

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## XV. OTHER SERVICES OR FACILITIES

A. Poles, Ducts, Conduits, and Rights-of-way

To the extent required by 47 U.S.C. § 251, BA and Jones shall each afford to the other access to poles, ducts, conduits, and rights-of-way pursuant to existing Tariffs, in conformance with 47 U.S.C. § 224, as set forth in Exhibit A, where facilities are available. Where no such Tariffs exist, such access shall be provided in accordance with the requirements of 47 U.S.C. § 224, including any FCC regulations that may be issued.

B. Trunk Side Local Transport

BA shall provide Jones local transport from the trunk side of Jones' wireline local exchange switches unbundled from switching and other services in accordance with BA's existing or filed Tariffs, as referenced in Exhibit A.

C. SS7 Interconnection

Each Party shall provide the other Party with access to databases and associated signaling necessary for call routing and completion, as well as calling name information to the extent not covered by the preceding phrase, by providing SS7 Interconnection in accordance with existing Tariffs, and Interconnection and access to 800/888 databases, LIDB, and any other necessary databases in accordance with existing Tariffs and/or agreements with other unaffiliated carriers, as set forth in the Exhibit A. Alternatively, either Party may secure SS7 Interconnection from a commercial SS7 hub provider, and in that case the other Party will permit the purchasing Party to access the same databases as would have been accessible if the purchasing party had connected directly to the other Party's SS7 network.

D. Local Dialing Parity

BA and Jones shall each provide the other with nondiscriminatory access to such services and information as are necessary to allow the other Party to implement dialing parity for Exchange Service, operator services, directory assistance, and directory listing information with no unreasonable dialing delays.

E. Resale

BA shall make available to Jones for resale at the wholesale rates set forth in Exhibit A all telecommunications services that BA provides at retail to customers that are not telecommunications carriers. Such services shall be provided in accordance with the terms of the applicable retail services Tariff(s), including, without limitation, user or user group restrictions, as the case may be, subject to the requirement that such restrictions shall in all cases comply with the requirements of Section 251 of the Act regarding restrictions on resale, and neither Party waives any right it may have to determine the status of any

particular such restriction under the terms of that Section. In addition, BA and Jones shall each allow the resale by the other of all services that are offered primarily or entirely to other telecommunications carriers (e.g., switched and special access services) at the rates already applicable to such services. BA shall also allow the resale by Jones of such other non-telecommunications services as BA, in its sole discretion, determines to provide for resale under terms and conditions to be agreed to by the Parties. Initially, for a period to extend to a date in the first calendar quarter of 1997 to be selected by BA (the "Initial Resale Period"), the Parties agree that any resale by Jones of BA telecommunications services that BA provides at retail to customers that are not telecommunications carriers, or of other BA services, shall be subject to the following restrictions and limitations:

1. Because BA will not have completed development and deployment of mechanized ordering, billing, collection, and operations systems suited to high-volume resale operations, BA will employ, in a manner to be agreed between the Parties, interim manual work processes in lieu of such systems, based on BA's existing work processes and systems currently used for retail service accounts.

2. During the Initial Resale Period, all contacts and interfaces between BA and Jones' end user customers that are being served using resold BA retail services may bear BA branding, trademarks, service marks, and tradenames to the same extent that comparable contacts and interfaces between BA and its own retail end user customers bear such branding, trademarks, service marks, and tradenames. This arrangement shall not be considered a license of such branding, trademarks, service marks, or tradenames to Jones, and Jones may not use such branding, trademarks, service marks, or trade names in any manner other than as expressly described in this sub-paragraph without the express written permission of BA.

3. During the Initial Resale Period, the wholesale discounts reflected in Section A.14. of Exhibit A, and any other wholesale discounts as may become applicable, shall be applied in the form of an agreed upon single composite "bottom-of-the-bill" adjustment to retail billing records to be supplied as wholesale service bills by BA to Jones. Such composite adjustment shall reflect, as appropriate, the treatment of taxes, surcharges, and the approximate mix of services to be purchased at wholesale, as agreed upon by the Parties, and as required to conform to all applicable laws and regulations. At the termination of the Initial Resale Period, at either Party's request, the Parties shall true-up all wholesale charges incurred during that period to the charges that would have been applicable had the procedures in place after the Initial Resale Period been operating during that period.

4. Third party charges to the resold account, such as 10XXX calls, 900 number calls, and calling card, collect, and bill-to-third-number calls, shall be billed to Jones by BA, and Jones shall be responsible to pay such charges to BA. BA will provide to Jones all billing information BA receives from the third party. Jones shall also be responsible for all charges for wholesale services supplied to Jones for resale to

Jones' end user customers, regardless of whether the service is ordered or activated by Jones or Jones' end user customers.

5. Jones shall not order wholesale service for resale to a BA customer without first having obtained a written authorization from the customer in accordance with Section VII.C. above.

6. Because of restrictions on BA's ability to process large numbers of resale applications during the Initial Resale Period, Jones shall request, and BA shall fulfill, no more than the following numbers of resale arrangements until the termination of the Initial Resale Period:

   (a) During the first month after the first resale order by Jones, twenty five (25) resold lines per week;

   (b) During the second month after the first resale order by Jones, fifty (50) resold lines per week; and

   (c) During the third and subsequent months after the first resale order by Jones, and until the termination of the Initial Resale Period, seventy five (75) lines per week.

During the Initial Resale Period, the Parties shall negotiate and agree upon, in the form of a separate agreement to be appended hereto, resale arrangements to apply after the termination of the Initial Resale Period. Such arrangements shall, to the extent feasible and economically reasonable, employ automated interfaces for ordering, provisioning, billing, and maintaining resold accounts.

## XVI. COORDINATION WITH TARIFF TERMS

The Parties acknowledge that some of the services, facilities, and arrangements described herein are or will be available under and subject to the terms of the federal or state tariffs of the other Party applicable to such services, facilities, and arrangements. To the extent a Tariff of the providing Party applies to any service, facility, and arrangement described herein, the Parties agree as follows:

A. To the extent the rates and charges set forth in Exhibit A for the services, facilities, and arrangements described herein reference or are set equal to those contained in an effective or pending Tariff of the providing Party, such rates and charges shall remain fixed for the initial term of the Agreement or vary in accordance with any changes that may be made to the Tariff rates and charges subsequent to the execution of the Agreement, depending on the particular service, facility or arrangement and as noted with an asterisk (denoting fixed rates and charges) in Exhibit A. Even the asterisked fixed rates and charges shall be changed to reflect any changes in the Tariff rates and charges they reference, however, if the Parties

agree to adopt the changed Tariff rates and charges. To the extent the rates and charges set forth in Exhibit A are different from those contained in an effective, pending, or future Tariff of the providing Party, the rates and charges for services marked with an asterisk shall apply. The rates and charges for services, facilities, and arrangements not marked with an asterisk in Exhibit A shall conform with those contained in the then-prevailing Tariff.

B. Except with respect to the rates and charges described in subsection A. above, all other terms contained in an applicable Tariff of the providing Party ("Other Terms") shall apply in connection with its provision of the particular service, facility, and arrangement hereunder. In the event any Other Term unavoidably conflicts with the terms herein, the Parties agree to negotiate in good faith to reconcile and resolve such conflict.

## XVII. BILLING AND PAYMENT

A. Except may otherwise be provided in this Agreement, each Party shall submit on a monthly basis an itemized statement of charges incurred by the other Party during the preceding month(s) for services rendered hereunder. Payment of billed amounts under this Agreement, whether billed on a monthly basis or as otherwise provided herein, shall be due, in immediately available U.S. funds, within thirty (30) days of the date of such statement.

B. Any amounts not paid when due may be subject to a late payment charge as determined in accordance with the terms contained in the applicable Tariff(s) of the billing Party or, if no late payment charge Tariff applies, of twelve percent (12%) per annum, compounded monthly.

C. Although it is the intent of both Parties to submit timely and accurate statements of charges, failure by either Party to present statements to the other Party in a timely manner shall not constitute a breach or default, or a waiver of the right to payment of the incurred charges, by the billing Party under this Agreement, and the billed Party shall not be entitled to dispute the billing Party'statement(s) based on such Party's failure to submit them in a timely fashion.

D. If a bona fide dispute arises between the Parties as to the proper charges for the facilities or arrangements furnished hereunder, the failure to pay such disputed amount shall not constitute cause for termination of this Agreement, provided that, within thirty (30) days of the date that the dispute arises, a bond, escrow account, or letter of credit or other mutually acceptable security arrangement is made for the security of the amount in dispute. The existence of such dispute shall not relieve the Parties of their respective obligation to fully comply with the provisions hereof in which no dispute exists, provided financial security for payment of the amount in dispute has been made as stated above.

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June 19, 1996

The Honorable Larry Pressler, Chairman
Committee on Commerce, Science, and
Transportation
254 Russell
Washington, DC 20510

Dear Mr. Chairman:

I apologize that I was unable to stay at the hearing held by the Committee yesterday long enough to make a statement and ask questions of the witnesses from the Federal Communications Commission (FCC). I would greatly appreciate your including my statement (enclosed) for the record and forward the attached questions to the FCC witnesses for response. It is not necessary that the Commissioners response separately to these questions unless there is variance among the Commissioners on the issues I have raised.

Thank you for your cooperation.

Sincerely,

Byron L. Dorgan
U.S. Senate

BLD:glr
enclosures

# STATEMENT OF SENATOR BYRON L. DORGAN
# BEFORE THE SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

**June 18, 1996**

Mr. Chairman, thank you for holding this oversight hearing on the Federal Communications Commission (FCC). It has been 4 months since the historic Telecommunications Act of 1996 was enacted and already the face of the telecommunications industry has changed dramatically. There has been a flurry of mergers and acquisitions since the new law was enacted. The telecommunications industry comprises about 15 to 20 percent of the economy and the implications of how the FCC implements the law will have profound affects on our nation, its consumers, and many businesses. It is imperative that this Committee remain close to the implementation of competition in all telecommunications markets. I am pleased that this Committee is taking the time to review the implementation of the new law.

The new law gives the FCC the gargantuan task of, among many other things, prying open the local telephone monopolies, and forging competition in local telephone service. In order to foster local competition, it is critical that uniform, nationwide standards be established. If this were not the case, then the Congress would not have toiled for years to develop a telecommunications bill. In my judgement, competition is the best regulator of the economy and to the extent that competition can replace the local monopolies in telephone service, cable service, and wireless service, consumers will be the benefactors. But, in order to establish a competitive environment at all levels of the telecommunications industry, the FCC is going to have to play a major role -- working cooperatively with the states -- to create competitive environments.

If clear rules are established now by the FCC -- in fulfilling the task charged to them under the Telecommunications Act -- regulation and litigation will become unnecessary and the business of market opening will be accomplished. Under the guidance of the new law, the FCC has an opportunity to create telecommunications competition that was only before accomplished through an anti-trust lawsuit. Without explicit national rules, the states will adopt a patchwork of inconsistent rules which will face certain litigation in 51 federal courts. If the goal is to foster, as national policy, competition in local phone service, then explicit national rules are necessary to achieve that goal.

In its filing before the FCC on the interconnection proceeding, the U.S. Department of Justice stressed the need for clear national rules. The State Attorneys General, including the Attorney General of North Dakota, filed comments with the FCC supporting national rules. The Public Service Commission of North Dakota, argued that "a wide disparity exists between states in their efforts to open local service to competition" and that a small state like North Dakota has "limited staff with which to address interconnection and other telecommunications issues." Thus, the North Dakota Public Service Commission said that limited staff impairs North Dakota's efforts to do a "thorough and timely job of resolving the numerous interconnection issues without some specific standards from the FCC."

There are two troubling items that underscore the need for clear, aggressive, national rules to foster local competition. First, the recent merger announcements between Regional Bell Operating Companies, where regional monopolies are becoming even bigger monopolies, raises concerns about the ability of individual states to break their bottleneck control over local phone service. These mergers are meant to minimize multi-firm competition and to remove potential competitors from the market. The merger activity seems to make the case even stronger that the FCC should be vigilant in producing stern local competition rules.

A second consideration this Committee and the FCC needs to keep in mind is the countless examples of where states have had difficulty in breaking up monopolies. I have heard of many, many examples of where likely competitors are faced with impossible barriers to entering local competition. I understand that many states are moving forward in promoting local competition. However, if this process were proceeding smoothly enough, Congress would not have had to pass a federal law to establish national standards to foster local competition.

These concerns are not to suggest that I do not believe that states are not up to the job of promoting local competition. To the contrary, I believe that the states have a critical role and many states have shown true leadership. The fact is that breaking up telephone and cable monopolies needs clear federal guidance or it simply will not happen.

In closing, I want to commend Chairman Hundt and the rest of the FCC for their diligence and willingness to take on this enormous task of implementing the Telecommunications Act of 1996. This is not a job for the faint of heart and I think the FCC deserves the support and assistance of this Committee and the Congress as the FCC implements the new telecommunications law.

I look forward to hearing from the Commission and the Joint Board.

**QUESTION FOR FCC WITNESSES:**

(1) I understand that the Department of Justice filed comments on the FCC's interconnection proceeding supporting strong national guidelines. In fact, the DOJ predicted a savings of $12 BILLION to residential consumers alone if local competition were to take hold throughout the country.

I have met with telecommunications companies recently that are interesting in providing competitive local telephone service. These companies have been trying to break into local monopolies in various states and have been faced with countless barriers erected by the incumbent carriers. Attached are some examples of where attempt to offer competitive local service is being impaired.

**I am interested in your response to these examples what you think these examples mean with respect to the need for national rules. If these barriers to entry into local phone service are not being addressed at the state level, where else can they be addressed? In other words, if the FCC does not establish clear, national rules, where will the barriers to entry be broken down?**

(2) I am aware that some have raised concerns about the FCC possibly overreaching their role in the interconnection proceeding in terms of usurping the roles of state commissions.

**Would you care to address that charge? In your judgement, how is the FCC balancing the appropriate federal and state roles in implementing the Telecommunications Act?**

(3) As you know, with respect to an RBOC interested in applying for entry into the long distance market, the Telecommunications Act of 1996 requires the FCC to approve an RBOC application if the RBOC has completed a "checklist" or has implemented a negotiated agreement with a facilities-based competitor. The law provides for state mediation if agreements cannot be reached between an RBOC and a potential competitor.

I see that there are current cases where either the RBOC or the potential competitor have asked certain states to mediate competition negotiations. For example, AT&T asked the Commission in Washington to mediate negotiations with US West and it wanted the Commissions of seven other states to observe or participate -- making the Washington-derived solution the model. Yesterday (June 17, 1996) it was reported that BellSouth requested the state of Alabama

to mediate talks with AT&T and that BellSouth wants that mediation to be a model for its nine state region.

What seems to be happening is that interests, on both sides, are shopping around to whatever state commission they believe will give them the best deal and apply that deal to other states. It seems to me that this kind of activity makes the case for the FCC to have clear, national rules as to prevent the kind of regional and state patchwork that would otherwise occur.

**Please comment?**

(4) As you know, the interconnection rules will be finalized by the FCC on August 8, 1996. According to tentative conclusions in the FCC's NPRM, interexchange carriers (as well as other competitive access providers) will be permitted to purchase unbundeled network elements. Conceivably, this would permit interexchange carriers to bypass the local exchange and no longer pay access charges. As you know, access changes are the primary source of revenue for universal service support.

Also, the Telecommunications Act left it to the FCC to reform access charges, as well as the universal service support system, based on specific principles laid out in the new law. The universal service reforms will not be finalized until May 8, 1997. That means that nine months could pass where interexchange carriers are picking off local customers, no longer paying access charges and thereby threatening universal service.

Now it is clear that the Telecommunications Act mandated a number of things which the FCC must keep in mind:

(a) Consumers were not to experience rate spikes;
(b) All telecommunications carriers must contribute to universal service; and
(c) Universal service must be preserved.

I understand that the access charge issue is very complex and difficult to resolve but achieving the goal of local competition will demand change. I further understand that universal service is going to change, both in terms of who contributes and the method of contribution. My concern is that in the transition period between when competitors will be permitted to purchase unbundeled network elements in such a way as to make access charges obsolete and when the FCC has implemented new contribution mechanisms to ensure that universal service is preserved, universal service support systems could be depleted.

**How does the FCC intend to deal with this potential problem? If, for**

**instance, some interexchange carriers succeed in acquiring large numbers of customers for local service and are no longer paying access charges, what will that mean for universal service? What problem does this pose for the short term; at least until the universal service system has been reformed?**

(5) I am sure you are familiar with the "Farm Team" -- a group of rural state Senators on this Committee that spent a great deal of effort trying to make the Telecommunications Act more sensitive to rural concerns. One of the issues we struggled with greatly was the definition of "service area." The definition for service area is very important is that it relates to several provisions in the new law that affect how competition will be introduced in rural areas and who can qualify for universal service support.

It is my understanding that in the FCC NPRM on universal service, the FCC is seeking comments on how to define "service area" for rural telephone companies. While the NPRM appropriately references the Act's requirement that for a rural telephone company, the term "service area" will remain the current study area "unless and until the Commission and the States, taking into account the recommendations of a Federal-State Joint Board..., establish a different definition of service area for such a company."

**Is it the intention of the FCC to change the definition of service area for rural phone companies in this particular proceeding? Or, does the Commission intend to allow some time between the implementation of universal service reforms and any changes to the service area of rural phone companies?**

I can tell you as one of the authors of this provision, the reason why we specifically defined "service area" for rural phone companies as its present study area is that we intended on providing the smaller rural companies some time to adjust. If we had intended on changing the study areas of rural phone companies immediately, we would have explicitly done so. I hope the Commission will keep this in mind before making any hasty changes to the definition of study areas for rural phone companies.

(5) As you know, the Telecommunications Act of 1996, among other things, permitted a dramatic deregulation of television and radio ownership rules. National caps on the number of TV stations and radio stations a single entity can own were lifted and some local restrictions were relaxed. What has happened with respect to concentration since the passage of the Telecommunications Act?

- According to a leading Wall Street investment research publication by Goldman/Sachs, **"Consolidation continues to be dominant theme in radio since passage of Telecom Act."** The report goes on to say that one of the noteworthy trends in this consolidation in radio is that **"a number of aggressive operators have already formed strong local clusters with a significant revenue share in a number of their local markets. Infinity will control large revenue shares in Dallas (over 30%), Boston (25%), and Atlanta (20%); American Radio in West Palm Beach and Dayton (each over 35%), Rochester (over 30%), Boston and Hartford (each over 25%); Jacor in Denver (over 45%); and Clear Channel in Grand Rapids, Louisville, and Richmond (each over 40%)."**

- A recent report in the Radio Business Report (May 3, 1996) found that 36 radio companies in 34 of the top-100 markets are owned by 21 individual groups. **"American Radio leads the pack with a 42.8% share in Rochester. Next in line is Clear Channel, which has 42.0% in Louisville. Patterson is a close third in Honolulu: that group's pending Superduopoly garners 41.4%."**

- The Wall Street Journal says in a headline: **"New Telecom Law Spurs Wave of Radio-Station Deals"** noting that there was more than $2 BILLION worth of radio deals within one month, **"signaling a wave of consolidation similar to the ones that took place in the newspaper and television businesses over the past several decades."**

- Broadcasting & Cable Magazine (May 20, 1996) announced that **"station trading last week reached an astonishing $1.87 billion."** The article went on to say that **"It wasn't too long ago -- 1992 to be exact -- when $1 billion accounted for an entire year of broadcast-station transactions. But with deregulation fueling consolidation and high prices, deal-making this year is reaching new heights. Station trading totals $5.55 billion, double last year's tally for the period."**

- And finally, according to another industry journal, all this merger activity -- which is spurred by the Telecommunications Act -- could attract scrutiny from the Federal Trade Commission. It seems to me that all this consolidation -- both in radio and in television -- is very concerning.

**How is the FCC monitoring the consolidation? Is the FCC keeping track of who owns what and to what degree ownership is being concentrated,**